GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2097
ANSWERED ON:13.03.2008
PRODUCTION COST OF CHEMICAL FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the production cost of various chemical fertilizers producing industrial units in the country varies;

(b) if so,the maximum and minimum production cost of each chemical fertilizer produced,in the country during April to December in 2007-2008 separately,unitwise;and

(c) the reasons for difference between the maximum and minimum production cost?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF THE STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (c) The cost of production of urea is different across various units in the country with the highest cost of production for the urea being Rs. 22899 PMT for M/s Madras Fertilizers limited and lowest being Rs, 5054 PMT for M/s National Fertilizers Limited-Vijaipur-1. The main reason for difference in the cost of production of these units is due to the wide difference in the price of feedstock being used by these units for production of urea. The cost of production also varies as some of the units are old with negligible depreciation costs, whereas others are comparatively new units with significant depreciation cost.

The fertilizers units producing DAP in the country have been divided into two groups based on the process through which DAP is produced in these units. The cost of production of Group-I units (producing DAP based on imported rock phosphate) has been Rs. 19786 PMT in 2007-08 (April to September) whereas the cost of production of Group-I! units (producing DAP from imported phosphoric acid) has been Rs. 17767 PMT.

With regard to the complex fertilizers, every unit produces varying grades of complex fertilizers and the cost of production of same depends upon feedstock/raw material being used by the units. The average cost of production of various grades of complex fertilizers in 2007-08 (April to September) is given as below:-

Grades of complex fertilizers	Cost (PMT)
16:20:00	12212
20:20:00	13284
23:23:00 (gas)	14807
28:28:00 (urea)	17344
10:26:26	17499
12:32:16	17372
14:28:14	16531
14:35:14	18207
15:15:15 (gas)	13896
17:17:17	15330
19:19:19	16765